

PUBLIC DISCLOSURE

May 12, 2014

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**Eagle Bank and Trust Company of Missouri
FDIC Certificate Number: 17691**

**10596 Highway 21
Hillsboro, Missouri 63050**

**Federal Deposit Insurance Corporation
1100 Walnut Street, Suite 2100
Kansas City, Missouri 64106**

NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

TABLE OF CONTENTS

I.	General Information.....	1
II.	Institution Rating	2
III.	Scope of Examination	3
IV.	Description of Institution	5
V.	Description of Assessment Areas	7
VI.	Conclusions with Respect to Performance Tests	12

GENERAL INFORMATION

The Community Reinvestment Act (CRA) requires each federal financial supervisory agency to use its authority when examining financial institutions subject to its supervision, to assess the institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. Upon conclusion of such examination, the agency must prepare a written evaluation of the institution's record of meeting the credit needs of its community.

*This document is an evaluation of the Community Reinvestment Act (CRA) performance of **Eagle Bank and Trust Company of Missouri**, prepared by the **Federal Deposit Insurance Corporation**, the institution's supervisory agency, as of **May 12, 2014**. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 345.*

INSTITUTION RATING

INSTITUTION'S CRA RATING: This institution is rated Satisfactory.

An overall rating of “Satisfactory” is assigned. An institution in this group has a satisfactory record of helping to meet the credit needs of its assessment areas, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

The Lending Test is rated: “Satisfactory.”

- The average net loan-to-deposit (NLTD) ratio is reasonable given the asset size and financial condition of the bank and the credit needs of the assessment areas (AAs). The NLTD ratio has averaged 79 percent since the previous Performance Evaluation dated May 21, 2012. This ratio is also considered reasonable when compared to the average NLTD ratios for similarly situated institutions.
- A substantial majority of the loans reviewed were originated within the AAs. A review of a sample of small business loans and the bank’s reported Home Mortgage Disclosure (HMDA) loans revealed that 85 percent of the number and 74 percent of the dollar volume of the small business loans, and 88 percent of the number and 79 percent of the dollar volume of the HMDA loans reviewed, were originated within the AAs.
- The geographic distribution of the loans reviewed reflects poor dispersion, particularly in low- and moderate-income (LMI) census tracts (CTs), primarily based on small business lending distribution within the St. Louis AA, considering pertinent demographic information and other relevant factors.
- Overall, the loan distribution by borrower income characteristics reflects reasonable penetration among businesses of different revenue sizes and individuals of different income levels, considering relevant demographic data, the bank’s business strategy, and other pertinent factors.

The Community Development Test is rated: “Satisfactory.”

- The bank’s performance under the community development test demonstrates adequate responsiveness to the community development needs of the evaluated AAs through qualified community development lending, investments, and services, considering the bank’s capacity and the need and availability of such opportunities in the AAs.

SCOPE OF EXAMINATION

This CRA evaluation was conducted using Intermediate Small Bank Evaluation Procedures, which include a lending test and a community development test. This evaluation addresses the bank's CRA performance since the previous evaluation on May 21, 2012, through May 12, 2014, the date of this evaluation.

Lending Test

Focus was given to commercial and residential real estate lending as these loan products represent a majority (56 percent and 23 percent, respectively), of the loan portfolio based on dollar volume, as of December 31, 2013. These loan products were weighted equally when drawing conclusions, given the bank's secondary market home mortgage lending activity. In addition, an analysis of these loan products will provide the most meaningful insight into the bank's CRA performance in comparison to pertinent demographic and other data available. Examples of this data include: the stratification of businesses in the AA based on gross annual revenues and CT category, the percentage of owner-occupied housing units in the AA by CT category, the stratification of AA families by income level, and HMDA aggregate lending data. The analysis of these loan products was completed considering the context of the AAs' economies, credit needs, and competition among financial institutions.

Examination personnel evaluated lending performance based on a sample of small business loans¹ that were originated between May 21, 2012, and March 29, 2014, and a review of home mortgage loans² that were included on the bank's HMDA registers in 2012 and 2013. For 2012, only HMDA loans originated between July 1, 2012, and December 31, 2012, are presented since these are the full calendar quarters that occurred during the review period; however, examiners performed a cursory review of full-year data to ensure the bank's performance was consistent throughout 2012. The small business loan sample consisted of 40 loans totaling \$5,611,000, selected from a universe of 159 loans totaling \$31,310,000. The HMDA data review consisted of 486 loans totaling \$83,514,000 in 2012, and 624 loans totaling \$128,041,000 in 2013.

An analysis was performed of the AAs to ensure that each met the requirements under the CRA and to select the area(s) for a full-scope review. The bank designated three AAs described as follows: *St. Louis AA* – includes the entirety of Jefferson County, St. Louis County, and St. Louis City in the St. Louis Missouri-Illinois Metropolitan Statistical Area (MSA); *St. Charles AA* – includes only one CT in St. Charles County in the St. Louis Missouri-Illinois MSA; and *Non-MSA AA* – includes the entirety of Perry County in non-MSA Missouri.

Since a substantial majority of the lending (97 percent), deposits (92 percent), and bank's locations (16 of 17 offices) are in the St. Louis AA, a full-scope review of this area was performed and

¹ *Small business loan* means a loan included in "loans to small businesses" as defined in the instructions for preparation of the Consolidated Report of Condition and Income. All small business loans had original balances of \$1 million or less.

² *Home Mortgage loans* are loans that are reportable under the Home Mortgage Disclosure Act and include home improvement loans, home purchase loans, and refinancing loans (as defined by HMDA) involving 1-4 family properties, manufactured housing units, and multi-family properties.

conclusions regarding the bank's performance will be based on the evaluation of this AA. This AA is weighted substantially heavier when arriving at overall conclusions. The Non-MSA AA received a limited-scope review and will carry little weight in the overall conclusions. The St. Charles AA was not reviewed, since the bank's only location in the AA is a limited-service facility with no lending activity.

For Geographic Distribution Analysis, particular focus was given to the dispersion of lending by CT category in the AA. For Borrower Profile Analysis, particular focus was given to lending to small businesses (gross annual revenues of \$1 million or less) and lending to individuals of different income levels in the AA. For an explanation of how the income designation of CTs and the categories of borrower incomes are determined, refer to the discussions titled *How Median Family Income is Used Throughout This Analysis* and *Definition of Income Groups* on page 7 of this evaluation.

In drawing conclusions regarding Criterion 2 (Assessment Area Concentration), lending activity based upon both the number and dollar volume of loans will be emphasized. In drawing conclusions regarding Criteria 3 and 4 (Geographic Distribution and Borrower Profile Analysis), lending activity based on the number of loans, rather than on the dollar volume, is emphasized. This is because the number of loans more clearly represents the distribution of the bank's lending efforts, since the dollar volume data could be materially altered by just a few high dollar loans. For example, loans to smaller businesses and to lower-income individuals are generally for smaller dollar amounts than loans to larger businesses and higher-income individuals. Therefore, an analysis using the dollar volume of loans for Criteria 3 and 4 would not provide a representative assessment of the lending efforts of the institution.

With respect to Criterion 3 (Geographic Distribution Analysis), in addition to the sample of small business loans, all small business originations and renewals that occurred during the review period, from May 21, 2012 to March 29, 2014, were reviewed to further evaluate the dispersion of lending in low- and moderate-income geographies.

Regarding HMDA lending, aggregate lending will be given more weight as a comparison than demographic information since aggregate data reflects the lending activity of all HMDA reporters in the AA. Small farm loans and consumer loans were not reviewed since these loan products represent a relatively small portion of the loan portfolio and are not emphasized in the bank's business strategy.

Community Development Test

The bank's performance with respect to the community development test was also reviewed in conjunction with this evaluation for the period from the last performance evaluation to the date of this evaluation. The community development activities are presented in three categories: community development lending, qualified investments, and community development services.

DESCRIPTION OF INSTITUTION

Eagle Bank and Trust Company of Missouri (Eagle Bank) is a financial institution with \$884,443,000 in total assets, as of December 31, 2013. Total assets have increased from \$836,854,000 at the previous evaluation, which represents an increase of 6 percent. Net Loans represent 69 percent of total assets and Securities represent 18 percent. The bank is wholly owned by Jefferson County Bancshares, Inc., Festus, Missouri, a one-bank holding company. The institution does not have any lending affiliates.

Eagle Bank's main office is located in Hillsboro, Missouri, and the bank has 16 branch offices located in the following Missouri communities: Arnold, Brentwood, Cedar Hill, Chesterfield (2), De Soto, Festus, Florissant, House Springs, Kirkwood, Manchester, O'Fallon, Perryville, St. Louis City, and unincorporated portions of St. Louis County (2). Twelve offices are full-service locations and five are limited-service facilities. The five limited-service facilities are located in retirement communities where they operate for limited hours and only accept deposits. The institution has not opened or closed any offices since the previous evaluation.

All of the offices, except the Perryville branch, are located in the St. Louis Missouri-Illinois MSA. The Perryville branch is located in an upper-income census tract in the non-MSA portion of Missouri. Of the 16 offices in the MSA, 8 are located in St. Louis County; 6 offices are located in Jefferson County; and 1 office located in each of St. Charles County and St. Louis City. Further, 2 offices (De Soto and Festus) are in moderate-income CTs, 7 offices are in middle-income CTs, and 7 offices are in upper-income CTs. For definitions of low-, moderate-, middle-, and upper-income CTs, refer to the discussions titled *How Median Family Income is Used Throughout This Analysis* and *Definition of Income Groups* on page 7 of this evaluation.

Eagle Bank has a total of 19 automated teller machines (ATMs), with 13 of these being deposit-taking and 6 being cash-dispensing machines. Each of the 12 full-service locations has a deposit-taking ATM, and the other deposit-taking ATM is not located at a bank office.

In addition to a traditional mix of consumer and business loan and deposit products, the bank offers a number of products targeted to un-banked or under-banked consumers or underserved segments of the population, including: a Homeownership Outreach Initiative (HOI) loan that is designed to promote affordable housing; a small dollar loan program called Credit Booster, which may help customers build or repair their credit score; and, Mobile Mone, a product that provides electronic access to a checking account that can be accessed via Internet, smart phone, text, traditional telephone, or prepaid debit card. At the time of the evaluation, the bank had originated 12 HOI loans totaling \$915,000, and 8 Credit Booster loans totaling \$4,000.

As of December 31, 2013, the bank had net loans of \$615,858,000 and total deposits of \$753,839,000, resulting in a net loan-to-deposit ratio of 82 percent. Table 1, on the following page, depicts the loan portfolio mix, which illustrates a commercial and residential real estate lending focus.

Although residential real estate loans represent only 23 percent of the bank's loan portfolio, it is important to note that during this evaluation period, the bank originated and sold home mortgage loans on the secondary market that are not reflected in the bank's loan portfolio. For this

institution, secondary market loans were a large majority of its home mortgage lending during the review period. Secondary market lending increases the availability of credit a bank can offer because the bank can re-lend and continue to re-lend dollars as it replenishes its availability of funds from loan sales rather than growing its deposit base to support loan growth.

Table #1 – Loan Portfolio Distribution as of 12-31-2013		
Loan Category	Dollar Amount (000s)	Percent of Total Loans
Construction and Land Development	\$112,523	18%
Secured by Farmland	\$3,777	*
Secured by 1-4 Family Residential Properties	\$123,538	20%
Secured by Multi-Family (5 or more) Residential Properties	\$20,778	3%
Secured by Non-Farm Non-Residential Properties	\$293,050	47%
Agricultural Production and Loans to Farmers	\$0	0%
Commercial and Industrial Loans	\$55,443	9%
Consumer	\$7,717	1%
Obligations of States and Political Subdivisions in the United States	\$7,881	1%
Other Loans	\$3,869	1%
Lease Financing Receivables (net of unearned income)	\$0	0%
Gross Loans	\$628,576	100%
Less: Unearned Income	\$0	
Total Loans and Leases	\$628,576	100%

Source: Report of Condition, * Less than 1 percent.

The bank operates in a competitive environment, with a wide array of products available from competing institutions that operate throughout the AA and the larger St. Louis MSA. The bank received a CRA rating of “Needs to Improve” at the previous evaluation dated May 21, 2012, which used Intermediate Small Bank Evaluation Procedures.

DESCRIPTION OF ASSESSMENT AREAS

Full-Scope Review – St. Louis AA

The Community Reinvestment Act of 1977, as amended, requires banks to identify one or more AAs within which its regulatory agency will evaluate the performance of the bank. The area(s) defined by the bank must include its main office, branches, and other deposit-taking remote service facilities, as well as the surrounding geographies in which the bank has originated or purchased a substantial portion of its loans. The AA must always consist of one or more whole geographies normally identified as census tracts (CTs). These CTs represent statistical subdivisions of a county.

Median family income (MFI) figures are based on the 2010 U. S. Census data.

How Median Family Income Is Used Throughout This Analysis for the St. Louis Missouri-Illinois MSA (St. Louis MSA):

The MFI for the St. Louis Missouri-Illinois (MO-IL) MSA using the MSA boundaries is \$67,013. This figure will be used to determine the income level of the CTs in the AA in conjunction with Criterion 3 (Geographic Distribution Analysis). Based on estimates by the Federal Financial Institutions Examination Council (FFIEC), the adjusted MFI for the St. Louis MO-IL MSA was \$70,400 in 2012 and \$69,200 in 2013. These adjusted figures will be used to determine the income level of the borrowers from the St. Louis MO-IL MSA in conjunction with Criterion 4 (Borrower Profile Analysis).

Definition of Income Groups:

<i>Low-income -</i>	Less than 50 percent of the MFI for the St. Louis MO-IL MSA.
<i>Moderate-income -</i>	50 percent to less than 80 percent of the St. Louis MO-IL MSA.
<i>Middle-income -</i>	80 percent to less than 120 percent of the St. Louis MO-IL MSA.
<i>Upper-income -</i>	120 percent or higher of the St. Louis MO-IL MSA.

The St. Louis AA consists of the entirety of Jefferson County, St. Louis County, and St. Louis City. This AA is contiguous and it is located in the Missouri portion of the St. Louis MSA. The AA consists of 347 CTs, with 56 CTs designated as low-income, 80 CTs designated as moderate-income, 116 CTs designated as middle-income, and 94 CTs designated as upper-income. In addition, one CT does not have an income designation.

According to the Bureau of Labor Statistics, the unemployment rate for Missouri, as of December 2013, was 5.8 percent. During the same period, the unemployment rates for Jefferson County, St. Louis County, and St. Louis City were 6.1 percent, 5.9 percent, and 8.3 percent, respectively.

The largest employers in the entire St. Louis MSA include: BJC Healthcare; Boeing Defense, Space & Security; Washington University; Scott Air Force Base; SSM Healthcare; Archdiocese of St. Louis; Wal-Mart Stores, Inc.; and Schnuck Markets Inc. According to the D&B data, the four largest employment sectors include Services (45 percent); Non-Classifiable Establishments (15 percent); Retail Trade (11 percent); and, Finance, Insurance and Real Estate (9 percent).

According to 2010 Census data, the housing stock in the AA totals 700,151 units, with owner-occupied units comprising 61 percent, occupied rental units comprising 28 percent, and vacant units comprising 11 percent of the available stock. In the AA, 11 percent of the housing units are located in low-income CTs, 24 percent are located in moderate-income CTs, 36 percent are located

in middle-income CTs, and 29 percent are located in upper-income CTs. According to the U.S. Census Bureau, approximately 9 percent of the families in the AA fall below the poverty level. The poverty level is determined on a national basis and is not adjusted regionally.

Table 2 below provides selected housing information relative to CT income levels within the AA. The median home value in the AA in 2010 was \$196,975, and the median age of a home was 40 years. Further, the median gross rent level was \$741 per month. The information in Table 2 will be used to evaluate home mortgage lending in the AA under Criterion 3 (Geographic Distribution Analysis).

Table #2 – Selected Housing Characteristics by Census Tract Income Category									
Census Tract Income Category	Number (percentage)						Median		
	Census Tracts	Households	Housing Units	Owner-Occupied	Single-Family 1-4 Units	5 or More Units	Age *	Home Value*	Gross Rent**
Low	16%	10%	12%	6%	11%	14%	33	\$86,876	\$648
Moderate	23%	23%	23%	20%	24%	21%	36	\$107,840	\$710
Middle	34%	37%	36%	39%	35%	35%	39	\$156,839	\$730
Upper	27%	30%	29%	35%	30%	29%	43	\$306,390	\$899
N/A	***	***	***	***	***	1%	0	\$0	\$291
Total or Median	100%	100%	100%	100%	100%	100%	40	\$196,975	\$741

Source: U.S. Census (2010), *Owner-Occupied Units, **Renter-Occupied Units, *** Less than 1 percent.

The population of the AA from the 2010 Census is 1,536,981. The AA consists of 625,299 households, with 391,253 considered families. A “household” consists of all persons that occupy a housing unit, including one person designated as the “householder.” In most cases, the “householder” is the person, or one of the persons, in whose name the house is owned or rented. A “family” consists of a householder and one or more persons living in the same household who are related to the householder by birth, marriage, or adoption. A household can contain only one family for purposes of Census tabulations.

Table 3 includes a stratification of the families in the AA by income level. This table also includes the HUD adjusted MFI ranges for the St. Louis MO-IL MSA for 2012 and 2013. The information in Table 3 will be used to evaluate the level of lending to individuals of different income levels in the expanded AA under Criterion 4 (Borrower Profile Analysis).

Table #3 – Stratification of Families by Income Level			
Income Level	Percentage of Families	2012 St. Louis MO-IL MSA Income Ranges MFI=\$70,400	2013 St. Louis MO-IL MSA Income Ranges MFI=\$69,200
Low	22%	Below \$35,200	Below \$34,600
Moderate	17%	\$35,200 - \$56,320	\$34,600 - \$55,360
Middle	20%	\$56,320 - \$84,480	\$55,360 - \$83,040
Upper	41%	\$84,480 & above	\$83,040 & above
Total	100%		

Source: U.S. Census (2010), 2012 and 2013 FFIEC adjusted median family income information.

In 2013, 133,044 non-farm businesses within the AA reported information to D&B. Of these businesses, 91,647 (69 percent) reported gross annual revenues of \$1 million or less. Table 4 below summarizes the businesses in the AA according to gross annual revenues and by CT income category. This information will be used to evaluate small business lending in the AA under Criterion 3 (Geographic Distribution Analysis) and Criterion 4 (Borrower Profile Analysis).

Table #4 – Stratification of Businesses by Gross Annual Revenues and Census Tract Category				
Gross Annual Revenues →	≤ \$1 million	> \$1 million	Revenues Not Reported	Total
Census Tract Income Category ↓				
Low	6,407	670	2,317	9,394 (7%)
Moderate	16,580	1,578	6,051	24,209 (18%)
Middle	29,135	2,099	10,541	41,775 (32%)
Upper-Income	39,460	3,097	14,940	57,497 (43%)
N/A Income	65	43	61	169 (*)
Total	91,647 (69%)	7,487 (6%)	33,910 (25%)	133,044

Source: D&B (2013), * Less than 1 percent.

During this evaluation, examiners reviewed three community contacts made by regulatory personnel in the previous 12 months that focused on the geographical area that makes up the AA. These contacts were reviewed to obtain a profile of the local communities, identify community development opportunities and general credit needs in the AA, and assess opportunities for participation by local financial institutions. These community contacts, which are summarized below, provided general information relating to the AA, information regarding economic conditions and general credit needs in the AA, and comments regarding the performance of

financial institutions operating in the AA. The information provided by these community contacts was considered in analyzing the bank's CRA performance.

One contact focused on the City of St. Louis and St. Louis County. This contact indicated that current local economic conditions were slowly improving, noting that the local economy in this area demonstrated slow conservative growth over the past two years. The contact noted that commercial credit is the primary credit need of the area. The contact identified cash reserves of local businesses as a strength. This was attributed to uncertainty regarding the economy, which resulted in hesitancy regarding major expenditures and obtaining new credit. Further, the contact noted a tremendous upsurge in entrepreneurial growth in the St. Louis area. The contact stated that financial institutions are meeting the general banking and credit needs of the area and noted that creditworthy businesses are able to obtain needed financing. The individual indicated that the St. Louis area is overbanked.

Another contact focused on the entire St. Louis MSA. This contact described the St. Louis economy as stagnant with some signs of recovery. The contact stated that unemployment as well as under-employment played a factor in the area's economy. The contact noted a credit need of the area is small home equity loans. The contact also saw plenty of community development opportunities for banks, although some borrowers are hindered by underwriting standards. The contact stated that a departure of jobs and then of population resulted in many vacated inner-city buildings. The contact stated that most banks in the area meet the general banking needs of the community.

This contact also focused on the entire St. Louis MSA. This contact described the St. Louis economy as having not suffered quite as extremely as the rest of the nation, primarily based on its central location; however, the downturn was significant, but the economy is showing improvement. The credit need of the area, as noted by this contact, is for developments for very low-income people. The contact stated that the city center is not experiencing much growth for employment opportunities for low- and moderate-income people. The contact noted that the CRA Association formed by local banks provided a great opportunity to quickly provide many institutions information about opportunities for CRA and community development. The contact noted that there is opportunity for the banks to provide financial education. The contact said that there was a focus on affordable housing in the area, but thinks the LMI areas would benefit from more comprehensive community development plans that include affordable housing and improvements to infrastructure, roads, education, and childcare. The contact stated that the banks were generally meeting the needs of the area. The contact noted that some banks opened branches in low-income areas or areas over-served by alternative credit options with predatory lending.

Bank management indicated the local economy has been recovering but has yet to completely recover. Management also noted that housing starts are still far behind the pre-recession figures. Further, LMI areas are struggling to provide adequate support for their education systems, as demonstrated by three failing school districts and two districts on probationary terms with the state of Missouri. Management also noted that, until recently, many of the LMI geographies in St. Louis City were considered "Food Deserts" by the USDA where residents had little or no access to full-service grocery stores within 10 miles. The area also has a large percentage of un-banked and under-banked population.

Limited-Scope Review – Missouri Non-MSA AA

The Community Reinvestment Act of 1977, as amended, requires banks to identify one or more AAs within which its regulatory agency will evaluate the performance of the bank. The area(s) defined by the bank must include its main office, branches, and other deposit-taking remote service facilities, as well as the surrounding geographies in which the bank has originated or purchased a substantial portion of its loans. The AA must always consist of one or more whole geographies normally identified as census tracts (CTs). These CTs represent statistical subdivisions of a county.

Median family income (MFI) figures are based on the 2010 U. S. Census data.

How Median Family Income Is Used Throughout This Analysis for the Missouri Non-MSA:

The MFI for the Missouri Non-MSA is \$45,840. This figure will be used to determine the income level of the CTs in the AA in conjunction with Criterion 3 (Geographic Distribution Analysis). Based on estimates by the Federal Financial Institutions Examination Council (FFIEC), the adjusted MFI for the Missouri Non-MSA was \$47,800 in 2012 and \$48,200 in 2013. These adjusted figures will be used to determine the income level of the borrowers from the Missouri Non-MSA in conjunction with Criterion 4 (Borrower Profile Analysis).

Definition of Income Groups:

<i>Low-income -</i>	Less than 50 percent of the MFI for the Missouri Non-MSA.
<i>Moderate-income -</i>	50 percent to less than 80 percent of the Missouri Non-MSA.
<i>Middle-income -</i>	80 percent to less than 120 percent of the Missouri Non-MSA.
<i>Upper-income -</i>	120 percent or higher of the Missouri Non-MSA

The Non-MSA AA consists of the entirety of Perry County, located in the non-MSA portions of Missouri. The AA consists of five CTs, with three CTs designated as middle-income and two CTs designated as upper-income. There are no low- or moderate-income CTs in this AA.

According to the Bureau of Labor Statistics, the unemployment rate for Missouri, as of December 2013, was 5.8 percent. During the same period, the unemployment rate for Perry County was 4.2 percent. According to the D&B data, the four largest employment sectors include Services (37 percent); Agriculture, Forestry, and Fishing (15 percent); Retail Trade (11 percent); and Non-Classifiable Establishments (10 percent).

According to 2010 Census data, the housing stock in the AA totals 8,483 units, with owner-occupied units comprising 71 percent, occupied rental units comprising 20 percent, and vacant units comprising 9 percent of the available stock. In the AA, 50 percent of the housing units are located in the middle-income CTs and the remaining 50 percent in the upper-income CTs.

The population of the AA from the 2010 Census is 18,971. The AA consists of 7,691 households, with 5,290 considered families. Approximately 6 percent of the families in the AA fall below the poverty level.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

LENDING TEST

Loan-to-Deposit Ratio

Eagle Bank's average NLTD (net loan-to-deposit) ratio is reasonable given the asset size and financial condition of the bank, and the credit needs of the AA. Additionally, this NLTD ratio compares reasonably to the average NLTD ratios of similarly situated lenders, as outlined in Table 5 on the following page. The lending performance of similarly situated lenders serves as an additional method of assessing the adequacy of a NLTD ratio. Similarly situated lenders are defined as financial institutions that are located in or near the AA and are the most comparable to the bank based on asset size, market served, product offerings, loan portfolio composition, and branching structure.

For the seven quarters from June 30, 2012, through December 31, 2013, the NLTD ratio for Eagle Bank has averaged 79 percent. The NLTD ratio ranged from a low of 77 percent, as of June 30, 2012, to a high of 82 percent, as of December 31, 2013, demonstrating an increasing trend. During this time period, net loans ranged from a low of \$558,459,000 on September 30, 2012, to a high of \$620,799,000 on December 31, 2013. It should be noted that Eagle Bank's net LTD ratio does not fully reflect its lending activity as the bank sold a significant number of home mortgage loans on the secondary market during the review period that are not reflected on its balance sheet at quarter-end.

Table 5 shows the average quarterly NLTD ratios for this bank and three similarly situated lenders. The average ratios in Table 5 were calculated based on Reports of Condition and Income for the quarters ending June 30, 2012, to December 31, 2013. The similarly situated lenders listed in Table 5 are in alphabetical order based on the name of the city in which the bank is chartered.

<i>Table #5 - Loan-to-Deposit Ratio Comparison</i>				
Bank	City, State	Total Assets (000s)	Net LTD Ratio 12-31-13	Avg. Net LTD Ratio 7 Quarters
Eagle Bank and Trust Company of Missouri	Hillsboro, Missouri	\$890,740	82%	79%
Reliance Bank	Des Peres, Missouri	\$1,015,324	76%	71%
Midwest BankCentre	Lemay, Missouri	\$1,142,566	84%	82%
Southern Commercial Bank	St. Louis, Missouri	\$506,451	59%	63%

Source: Reports of Condition (6-30-12 through 12-31-13).

Assessment Area Concentration

Eagle Bank's performance regarding AA concentration is considered more than reasonable. A substantial majority of HMDA (88 percent of the number and 79 percent of the dollar volume) and small business lending (85 percent of the number and 74 percent of the dollar volume) were originated within the AA. Table 6 below summarizes the institution's record of lending within the AA by number and dollar volume.

Table #6 – Distribution of Loans Inside and Outside the AAs

Loan Type	Number of Loans					Dollar Volume of Loans (000s)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
2012 HMDA	432	89%	54	11%	486	\$73,610	88%	\$9,904	12%	\$83,514
2013 HMDA	550	88%	74	12%	624	\$92,879	73%	\$35,162	27%	\$128,041
HMDA Total	982	88%	128	12%	1,110	\$166,489	79%	\$45,066	21%	\$211,555
Small Business	34	85%	6	15%	40	\$4,138	74%	\$1,473	26%	\$5,611

Source: 3-4 quarters 2012 and 2013 HMDA LAR & bank data.

Geographic Loan Distribution

The geographic distribution of lending reflects poor dispersion, based primarily on the St. Louis AA small business performance. Further, the bank's lending data lags relevant demographic data in both low- and moderate-income areas when evaluating all small business originations and renewals that occurred during the review period.

St. Louis AA

The geographic distribution of lending in the St. Louis AA reflects poor dispersion, primarily based on small business performance.

Small Business Lending

Eagle Bank's small business lending reflects poor dispersion throughout the low- and moderate-income portions of the AA, based on the sampled loan data and confirmed by a review of all small business loans outstanding as of the date of evaluation that were originated or renewed between May 21, 2012, and March 29, 2014. Table 7 below illustrates the geographic distribution of the sampled small business loans by CT income category. This table also includes 2013 D&B data relative to the percentages of businesses in the AA by CT income category.

As reflected in Table 7, there was one sampled loan to a business located in a low-income CT, which represented 3 percent of the number of loans originated, which does not compare favorably to the percentage of businesses located in these geographies (7 percent). The lending percentage to businesses located in moderate-income CTs (10 percent by number) is also less than the percentage of businesses located in these geographies (18 percent).

Table #7 - Distribution of Small Business Loans by Geographic Income Level					
Geography Income Level	AA Businesses	Distribution of Small Business Loans Reviewed			
	% of #	#	%	\$ (000s)	%
Low	7%	1	3%	\$172	4%
Moderate	18%	3	10%	\$62	1%
Middle	31%	18	56%	\$2,097	52%
Upper	43%	10	31%	\$1,732	43%
Total	100%	32	100%	\$4,063	100%

Source: 2013 D&B data & bank data.

When reviewing all small business originations and renewals, the bank's performance shows slightly better dispersion than noted in the table in the low- and moderate-income geographies (4 and 12 percent, respectively), but still less than that reflected by D&B data. Based on this analysis the bank's small business lending reflects poor dispersion throughout the low- and moderate-income geographies in the St. Louis AA.

HMDA Lending

The geographic distribution of HMDA lending reflects reasonable dispersion throughout the AA. Table 8 details the geographic distribution of the HMDA lending for 2012 and 2013 by CT income category. The table also includes comparative demographic data regarding the percentages of owner-occupied housing units in low-, moderate-, middle-, and upper-income CTs in the AA, based on 2010 Census data. In addition, Table 8 includes 2012 HMDA aggregate lending data by CT income category. HMDA aggregate lending data for a particular year represents the lending activity of all institutions subject to HMDA reporting in the AA. The 2013 HMDA aggregate data is not available.

Regarding HMDA lending in the low-income CTs, the bank's lending percentages for 2012 and 2013 (each 2 percent) do not compare favorably to the percentage of owner-occupied housing units in the low-income CTs, based on 2010 Census data (6 percent); however, 2012 data is comparable to the aggregate lending percentage. Regarding the HMDA lending in the moderate-income CTs, the lending percentage for 2012 (9 percent) does not compare favorably to the percentage of owner-occupied housing units (20 percent); however, the 2012 lending percentage in moderate-income CTs is only slightly lower than aggregate lending percentage (11 percent). For 2013, the bank's lending increased to 17 percent in moderate-income CTs and is comparable to the percentage of owner-occupied housing units.

Table #8 - Distribution of 2012 Home Mortgage Loans by Geographic Income Level

	Geography Income Level	AA Owner Occupied Housing Units	HMDA Aggregate Lending	Number of Loans		Dollar Volume of Loans \$(000s)	
		% of #	% of #	#	%	\$	%
HMDA Year 2012	Low	6%	2%	8	2%	\$1,231	2%
	Moderate	20%	11%	36	9%	\$2,839	4%
	Middle	39%	37%	203	53%	\$29,458	46%
	Upper	35%	50%	136	36%	\$31,152	48%
	Totals	100%	100%	383	100%	\$64,680	100%
HMDA Year 2013	Low	6%		12	2%	\$1,536	2%
	Moderate	20%		81	17%	\$13,545	15%
	Middle	39%		238	48%	\$36,052	42%
	Upper	35%		161	33%	\$35,265	41%
	Totals	100%		492	100%	\$86,398	100%

Source: 3rd and 4th quarters 2012 and 2013 HMDA LARs, 2012 HMDA Aggregate Data, and 2010 U.S. Census data. HMDA aggregate data was not available for 2013 as of this evaluation.

Additionally, of the 56 low-income geographies in the AA, the bank originated HMDA lending in 7 of these geographies (12 percent) in 2012, and 9 of these geographies (16 percent) in 2013. Of the 80 moderate-income geographies, the bank originated loans in 29 of these geographies (36 percent) in 2012, and 35 of these geographies (44 percent) in 2013.

Missouri Non-MSA AA

A geographic distribution analysis was not performed in the Non-MSA AA as this AA is homogenous and consists of only middle- and upper-income geographies.

Borrower Profile Loan Distribution

The loan distribution by borrower income characteristics reflects reasonable penetration among businesses of different revenue sizes and individuals of different income levels, considering pertinent demographic data, and other relevant factors, as noted in this section.

St. Louis AA

The loan distribution by borrower income reflects reasonable penetration among businesses of different revenue sizes and individuals of different income levels.

Small Business Lending

The bank's small business loan distribution in this AA by borrower income reflects reasonable penetration among businesses of different revenue sizes. Table 9 details the distribution of the small business lending in the AA by gross annual revenues of the businesses. This table also includes comparative demographic data regarding the percentage of businesses that reported gross annual revenues of \$1 million or less, based on 2013 D&B data.

Table #9 - Distribution of Small Business Loans by Gross Annual Revenues

Gross Annual Revenues	All AA Businesses	Distribution of Small Business Loans Reviewed			
		#	%	\$ (000s)	%
≤\$1,000,000	69%	23	72%	\$2,638	65%
>\$1,000,000	6%	9	28%	\$1,425	35%
Sub-Total	75%	32	100%	\$4,063	100%
Revenues Not Reported	25%	0	0%	\$0	0%
Total	100%	32	100%	\$4,063	100%

Source: 2013 D&B data & bank data.

The small business lending percentage to businesses with gross annual revenues of \$1 million or less (72 percent) is greater than the percentage of businesses that reported gross annual revenues of \$1 million or less (69 percent). As noted previously, regulatory personnel also considered the various comments of individuals contacted from the local community in the analysis of this lending performance.

HMDA Lending

Tables 10 reflects the distribution of the 2012 and 2013 HMDA lending by borrower income level³ compared to the distribution of families within the AA by income level, based on 2010 Census data. Table 10 also includes 2012 HMDA aggregate lending data regarding lending by borrower income level.

Table #10 - Distribution of 2012 Home Mortgage Loans by Borrower Income Level

HMDA Year	Income Classification	AA Families	HMDA Aggregate Lending	Number of Loans		Dollar Volume of Loans \$ (000s)	
		% of #	% by #	#	%	\$	%
2012	Low	22%	8%	37	10%	\$3,523	5%
	Moderate	17%	15%	71	18%	\$9,040	14%
	Middle	20%	18%	77	20%	\$12,259	19%
	Upper	41%	40%	161	42%	\$35,596	55%
	Income NA	0%	19%	37	10%	\$4,262	7%
	Totals	100%	100%	383	100%	\$64,680	100%
2013	Low	22%		40	8%	\$3,265	4%
	Moderate	17%		91	18%	\$10,925	12%
	Middle	20%		93	19%	\$13,841	16%
	Upper	41%		170	35%	\$34,274	40%
	Income NA	0%		98	20%	\$24,093	28%
	Totals	100%		492	100%	\$86,398	100%

Source: 3-4 quarters 2012 and 2013 HMDA LAR, 2012 HMDA Aggregate Data, and 2010 U.S. Census data. HMDA aggregate data was not available for 2013 as of this evaluation.

³ The loan distribution is determined by comparing the borrower's income for a given year to HUD's adjusted MFI for the St. Louis MO-IL MSA for that same year. Refer to Table 3 for a breakdown of income levels that constitute low-, moderate-, middle-, and upper-income in the AA.

The bank's lending to low-income borrowers in 2012 (10 percent) is less than demographics (22 percent); however, it is higher than aggregate data (8 percent). In 2013, the bank's lending to low-income borrowers (8 percent) is again less than demographics. However, aggregate data was given the most weight in this analysis.

The bank's lending percentage to moderate-income borrowers in 2012 (18 percent) is slightly above demographics (17 percent) and aggregate lending data (15 percent). The 2013 lending percentage to moderate-income borrowers in the AA (18 percent) is also slightly above the pertinent demographic data (17 percent) and consistent with the bank's 2012 performance.

Overall, the institution's HMDA lending activity is considered reasonable based on the above factors as well as community contact information. In addition, more weight is given to how the lending compared to the 2012 HMDA aggregate data in drawing conclusions.

Missouri Non-MSA AA

For this AA overall, the loan distribution by borrower income reflects reasonable penetration among businesses of different revenue sizes and individuals of different income levels.

Small Business Lending

The bank's small business lending distribution in the AA is good based on all reviewed loans that had revenues less than or equal to \$1 million, which compared favorably to D&B data.

HMDA Lending

The bank's HMDA lending in the AA reflects reasonable penetration among individuals of different income levels, including low- and moderate-income. The bank's lending to low-income borrowers in 2012 is slightly less than demographic data but exceeds aggregate lending data. In 2013 the bank's percentage of loans originated to low-income borrowers decreased. The bank's lending to moderate-income borrowers in 2012 is less than demographic and aggregate data, but increased significantly in 2013.

Response to Substantiated Complaints

The institution has not received any substantiated CRA-related complaints during the review period.

COMMUNITY DEVELOPMENT TEST

Under the Intermediate Small Bank Community Development Test, an institution should appropriately assess the needs in its community, engage in different types of community development activities based on those needs and the institution's capacities, and take reasonable steps to apply its community development resources strategically to meet those needs.

Definition of Community Development: An activity is considered to be a qualified community development activity if it meets one of the following purposes: 1) affordable housing (including multifamily rental housing) for LMI individuals; 2) community services targeted to LMI individuals; 3) activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Small Business Development Company or Small Business Investment Company programs or have gross annual revenues of \$1million or less; 4) activities that revitalize or stabilize LMI geographies, designated disaster areas, or distressed or underserved non-metropolitan middle-income geographies designated by the Board of Governors of the Federal Reserve System, FDIC, and Office of the Comptroller of the Currency; or 5) loans, investments, and services that support, enable, or facilitate Neighborhood Stabilization Program (NSP) activities in areas with HUD-approved NSP plans.

Eagle Bank's performance under the community development test demonstrates adequate responsiveness to the community development needs of the AA through community development lending, qualified investments, and community development services, considering the capacity of the bank and the need and availability of such opportunities for community development in the AAs.

Quantitative performance measurements of a financial institution's community development lending and investments serve as an additional method of assessing the financial capacity of the bank to meet the community development needs of the AAs.

As of December 31, 2013, Eagle Bank's ratio of community development loans to net loans is 9.47 percent. This ratio has significantly increased from 1.44 percent at the previous evaluation. Regulatory personnel compared this community development lending ratio to the ratios of 11 other institutions operating in the St. Louis MSA and the ratios for these institutions ranged from 2.10 percent to 43.25 percent.

The ratio of community development investments to total securities was 2.27 percent, which represents an increase from 1.96 percent at the previous evaluation. Regulatory personnel also compared this ratio to the 11 institutions and the ratios ranged from 0.10 percent to 11.91 percent. Overall, the ratios of the bank are reasonable in comparison to the ratios of other institutions operating in the St. Louis MSA.

COMMUNITY DEVELOPMENT LENDING

Table 11 reflects the distribution of qualified community development loans by origination year and loan category. Eagle Bank originated or renewed a total of 20 community development loans totaling \$58,335,000 that received consideration during this evaluation. This represents more than a 600 percent increase in the dollar volume of community development lending activity since the previous evaluation.

All of the community development loans made by the bank provided benefits to the AAs, as required for consideration under the CRA. The following are examples of qualified community development loans:

- One loan for \$3 million for a multi-family property with over 100 apartments and retail space in a low-income census tract that provided affordable housing.
- One loan for over \$6 million to construct and rehabilitate warehouse and office space that supported revitalization and stabilization of a moderate-income census tract.

Table #11 - Qualified Community Development Lending Activity by Origination Year *								
Activity Year →	2012		2013		YTD 2014		Total	
Loan Category ↓	#	\$ (000)	#	\$ (000)	#	\$ (000)	#	\$ (000)
Affordable Housing	-	-	5	\$14,514	2	\$7,800	7	\$22,314
Revitalize or Stabilize LMI Geographies	3	\$1,258	4	\$11,113	2	\$450	9	\$12,821
Economic Development	2	\$17,800	2	\$5,400	-	-	4	\$23,200
Community Services Targeted to LMI	-	-	-	-	-	-	-	-
NSP Activities	-	-	-	-	-	-	-	-
Total	5	\$19,058	11	\$31,027	4	\$8,250	20	\$58,335

Source: Bank records, * Dashes indicate no activity.

QUALIFIED INVESTMENTS

Table 12 reflects the distribution of qualified community development investments by activity year and qualifying category. Eagle Bank made a total of seven qualified community development investments totaling \$1,765,000, since the previous evaluation. In addition, the bank received consideration for seven outstanding qualified investments totaling \$1,917,000 that were purchased prior to the previous evaluation. The bank also had 43 qualified donations totaling almost \$118,000. The qualified investments that received consideration during this review primarily consist of school bonds issued by area school districts.

The following are examples of qualified community development investments:

- Seven investments totaling \$1,765,000 to area school districts where more than 50 percent of the students qualify for the free/reduced lunch program.
- Multiple donations totaling \$47,000 to a non-profit organization that provides funds to organizations that provide community services such as shelter, clothing, and medical care for children at economic risk due to poverty or abuse.

Table #12 - Qualified Investments by Year *										
Activity Year →	Prior Period		2012		2013		YTD 2014		Totals	
Investment Category ↓	#	\$ (000)	#	\$ (000)	#	\$ (000)	#	\$ (000)	#	\$ (000)
Affordable Housing	-	-	-	-	-	-	-	-	-	-
Revitalize or Stabilize	-	-	-	-	-	-	-	-	-	-
Economic Development	-	-	-	-	-	-	-	-	-	-
Community Development Services	7	\$1,917	2	\$650	5	\$1,115	-	-	14	\$3,682
Neighborhood Stabilization	-	-	-	-	-	-	-	-	-	-
Total	7	\$1,917	2	\$650	5	\$1,115	-	-	14	\$3,682

Source: Bank records. *Dashes indicate no activity.

COMMUNITY DEVELOPMENT SERVICES

Eagle Bank provided 94 qualified community development services to local organizations and entities. Table 13 reflects the distribution of these community development services by year and activity.

The institution's qualified community development services include:

- In years 2013 to 2014, bank officials provided financial education, including first-time home buyer, to multiple organizations and groups that provides community services targeted to low- and moderate-income residents in the greater St. Louis area.
- For years 2012 through 2014, a bank officer served in an organization that provides home improvement services to low-income home owners.

Table #13 - Qualified Community Development Services By Year *				
Activity Year →	2012	2013	YTD 2014	Total
Service Category ↓				
Affordable Housing	-	9	2	11
Revitalize or Stabilize LMI Geographies	-	2	-	2
Economic Development	-	5	31	36
Community Services Targeted to LMI	-	32	13	45
Qualified NSP Activities	-	-	-	-
Total	-	48	46	94

*Source: Bank Records, * Dashes indicates no activity.*

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

No evidence of discrimination inconsistent with helping to meet community credit needs was identified during the review period.